

## Message Text

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ORIGIN L-03

INFO OCT-01 EUR-25 NEA-10 ISO-00 SPC-03 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 ABF-01 FS-01 FBO-01 CIAE-00 INR-10 NSAE-00

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI PRIORITY

INFO AMEMBASSY LONDON

C O N F I D E N T I A L STATE 239597

E.O. 11652:GDS

TAGS: EFIN, IN

SUBJECT: RUPEES:CHANGES TO AGREEMENT

REFS (ALL NEW DELHI): (A) 14188; (B) 14218; (C) 14219;  
(D) 14189; (E) 14251; (F) 14252; (G) 14254

1. FOLLOWING ARE ALL VARIATIONS BETWEEN AGREEMENT  
AS SUBMITTED HERE AND AS CABLED BY EMB DEC. 5 IN REFTELS  
A-G. EACH OF THE CHANGES WAS MADE ON JUDGMENT HERE THAT  
NO MATTER OF SUBSTANCE INVOLVED AND THUS WOULD NOT INTER-  
FERE IN GOI APPROVAL PROCESS, BUT THAT CHANGE REQUIRED  
FOR PURPOSES OF CLARITY OR STYLE. SOLE POSSIBLE  
EXCEPTION IS "BUYING RATE" AS PER PARA 8, BELOW, WHERE  
ISSUE FURTHER DISCUSSED. PAGE AND PARA REFS ARE TO THE  
NOV. 23 EMB DRAFT.

2. PAGE 3, FIRST WHEREAS CLAUSE: INSERT "OF" IN  
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PLACE OF THE COMMA IMMEDIATELY PRECEDING "1954".

3. PAGE 4: WE DELETED THE NUMBERS 1 AND 2 BEFORE "PRINCIPAL" AND "INTEREST" AT THE BOTTOM OF THE PAGE.

4. PAGE 5, PARA 1(A): THE WORDS "ON THE DATE OF THIS AGREEMENT" WERE INSERTED AFTER "PREPAY". DESPITE THE EXISTENCE OF THE SAME PHRASE IN PARA 1(B), IT IS NECESSARY THAT THIS BASIC PROVISION SPECIFICALLY STATE THE DATE OF PREPAYMENT. THE IDENTICAL CHANGE WAS MADE IN PARA 1 OF PART II, FOR THE SAME REASON.

5. PAGE 6, PARAGRAPH 1(C): THE NUMBER "I" WAS INSERTED AFTER THE WORD "PART" FOR CONSISTENCY.

6. PAGE 6, PARA 1(D): THE PHRASE "(EXCEPT AS THE TWO GOVERNMENTS SHALL OTHERWISE AGREE)," WAS AMENDED TO READ ", OR BY SUCH OTHER DATE AS THE TWO GOVERNMENTS SHALL AGREE,". THIS WAS TO MAKE CLEAR THAT THE PHRASE MODIFIES ONLY THE TIME PERIOD AND NOT THE OBLIGATION TO MAKE APPROPRIATE ADJUSTMENTS. THE IDENTICAL CHANGE WAS MADE IN PARA 5 OF PART II, FOR THE SAME REASON.

7. PAGE 9, PARA 5: FIRST SENTENCE AMENDED TO READ AS FOLLOWS: "THE GRANT PROVIDED FOR IN THE PRECEDING PARAGRAPH 4, INCLUDING ANY ADDITION THERETO MADE PURSUANT TO PARAGRAPH 7 OF THIS PART I, SHALL, IN THE ABSENCE OF EXTRAORDINARY CIRCUMSTANCES, BE FULLY EXPENDED IN THE SECTORS IDENTIFIED IN PARAGRAPH 4(A), OR IN THE NEW SECTORS REFERRED TO IN PARAGRAPH 4(B), OF THIS PART I, WITHIN A PERIOD NOT EXCEEDING 5 YEARS FROM THE DATE OF THIS AGREEMENT."

8. PAGE 10, PARA 6(A): "BUYING RATE" WAS SUBSTITUTED FOR "SELLING RATE" IN TWO PLACES FOR REASONS OUTLINED IN STATE 236931. ALSO, TWO OBVIOUS TYPOS CORRECTED: "ON (NOT IN) THE LAST PRECEDING BUSINESS DAY" AND "BANK OF (NOT ON) INDIA". IF ABSOLUTELY NECESSARY, WE CAN LIVE WITH SELLING RATES FOR A BUYING TRANSACTION, BUT IT OBVIOUSLY DOES NOT MAKE ANY SENSE, AND IT COULD MAKE THE "SMALLEST NUMBER OF RUPEES" AND MFN LANGUAGE CONFIDENTIAL

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DIFFICULT TO INTERPRET. BECAUSE LONDON 14279 (RECEIVED HERE DEC. 6) CONFIRMS OUR WORST FEARS, WE ARE COMMENTING FURTHER ON THE EXCHANGE RATE PROBLEM BY SEPTTEL; IF GOI CANNOT ACCEPT "BUYING RATE" NOW, PERHAPS THE ISSUE CAN BE RESOLVED IN CONNECTION WITH THOSE NOTED IN THE LONDON CABLE.

9. PAGE 11, PARA 6(C): THE SECOND WORD - "AS" -

WAS STRUCK. ALSO, THE REFERENCE TO PARA 9(A) WAS CHANGED TO 9(E).

10. PAGE 11, PARA 6(D): TO CONFORM WITH CHANGE IN PARA 9(B) OF PART II PREVIOUSLY TRANSMITTED BY EMB, "NEPALESE CITIZENS" CHANGED TO "CITIZENS OF NEPAL".

11. NEW PARA 7 OF PART I AMENDED AS PER LANDE TELECON AS FOLLOWS:

"THE GOVERNMENT OF THE UNITED STATES OF AMERICA SHALL TRANSFER, AS OF THE DATE OF THIS AGREEMENT, RS. (BLANK) FROM THE TRANSITION ACCOUNT TO THE COOLEY ACCOUNT, SUCH AMOUNT TO BE ALLOCATED SOLELY FOR FUTURE EXPENDITURE AGAINST COMMITMENTS OF PUBLIC LAW 480 RUPEES BY THAT GOVERNMENT PRIOR TO THE DATE OF THIS AGREEMENT. ANY RUPEES SO TRANSFERRED WHICH AT ANY FUTURE TIME ARE DEEMED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA TO BE NO LONGER REQUIRED TO MEET SUCH COMMITMENTS SHALL BE TRANSFERRED PROMPTLY TO THE GOVERNMENT OF INDIA AS AN ADDITIONAL PART OF THE GRANT PROVIDED FOR IN PARAGRAPH 3 OF THIS PART I, SUCH AMOUNT TO BE ALLOCATED, AS THE GOVERNMENT OF INDIA SHALL DETERMINE, AMONG THE SECTORS SPECIFIED IN THE PRECEDING PARAGRAPH 4(A)."

12. LAST PREAMBULAR CLAUSE OF PART II: "FUTURE" CHANGED TO "OUTSTANDING".

13. PAGE 14, PARA 2: FOLLOWING CHANGES MADE IN MOV LANGUAGE SUPPLIED REF (F): SECOND SENTENCE OF PARA 2(B): "SUCH AMOUNT BEING EQUIVALENT" CHANGED TO "SUCH AMOUNT IS THE EQUIVALENT"; AND "DOLLARS IS TO BE MAINTAINED" CONFIDENTIAL

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CHANGED TO "DOLLARS SHALL BE MAINTAINED". TOWARD END OF NEXT SENTENCE, "ANNIVERSARY DATE AND DEBIT" CHANGED TO "ANNIVERSARY DATE, AND SHALL DEBIT"; "OF RUPEES" DELETED FROM END OF SAME SENTENCE. IN PARA 2(C), "ON THE DATE HEREOF AND" INSERTED BEFORE "ON ANY ANNIVERSARY DATE SHALL BE THE RATE DERIVED BY...". THIS REQUIRED BY NEW MOV FORMULATION. ALSO, A COMMA WAS ADDED AFTER "PROVIDED".

14. PAGE 14, PARA 3: THE SEMICOLON SHOULD HAVE BEEN A COMMA. THIS CHANGE NOT ACTUALLY MADE, BUT WE WILL DO SO IN ALL FUTURE DRAFTS.

15. PAGE 18, PARA 9 (FORMERLY PARA 10). WE CONSIDERED REFERENCE TO "PREAMBLE" TO PARA 8 MIGHT BE CONFUSING.

ACCORDINGLY, BEGINNING OF PARA 9 REVISED TO READ:

"...PERTAIN TO ADDITIONAL USES OF THE RUPEES RETAINED  
BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA AS  
IDENTIFIED IN THE INTRODUCTORY CLAUSES OF PARA 8 OF THIS  
PART II."

16. PAGE 18, PARA 9(B)(FORMERLY 10(B)); SEMICOLON  
AFTER "NEPAL" CHANGED TO COMMA.

17. PAGE 19, PAR.9(E)(FORMERLY 10(E)): "WHICH  
WILL BE REQUIRED TO GIVE FULL EFFECT" CHANGED TO "WHICH  
MAY BE REQUIRED TO GIVE FULL EFFECT". KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**Drafter:** ATBROWN:DLS  
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**Executive Order:** GS  
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**Film Number:** n/a  
**From:** STATE  
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**To:** NEW DELHI  
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